



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 11, 1999

S. 243

Perkins County Rural Water System Act of 1999

*As ordered reported by the Senate Committee on Energy and Natural Resources
on March 4, 1999*

SUMMARY

S. 243 would authorize the Secretary of the Interior, acting through the Bureau of Reclamation (the bureau), to provide financial assistance to the Perkins County Rural Water System, Inc., for planning and constructing the Perkins County Rural Water System. To carry out these activities, the bill would authorize the appropriation of \$15 million in 1995 dollars plus additional amounts to cover increases in project costs during construction. The system would provide water to members of the Perkins County Rural Water System, Inc., in Perkins County, South Dakota.

CBO estimates that implementing S. 243 would require appropriations of \$18 million over the 2000-2004 period. We estimate that outlays would total \$16 million over that period and \$2 million after 2004. Enacting the bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 243 contains no intergovernmental private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs as a result of the bill's enactment, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 243 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

By Fiscal Year, in Millions of Dollars

	2000	2001	2002	2003	2004
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SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	1	3	5	5	4
Estimated Outlays	1	2	4	5	4

BASIS OF ESTIMATE

For the purpose of this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 1999 and that the estimated amounts necessary to implement the bill will be appropriated for each year. Based on information provided by the bureau, CBO anticipates that environmental and engineering studies for the project would be completed by the end of fiscal year 2001, that construction would begin in 2002, and that the project would be completed by 2006. (The bureau has indicated that it would take between three and five years to complete the project.) The estimated amounts of annual funding needed to meet this schedule are based on information provided by the bureau.

The total estimated cost of \$18 million over the 2000-2004 period reflects observed inflation from 1995 through 1998 and estimated inflation for 1999 through 2004. CBO estimates that inflation of between 2 percent and 3 percent a year would increase the project's total cost from \$15 million in 1995 dollars to about \$18 million, assuming appropriation of the necessary amounts over the 2000-2004 period. The estimated outlays are based on historical rates of spending for the types of activities authorized by the bill. The Perkins County Rural Water System, Inc., would bear the cost of operating and maintaining the project.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 243 contains no intergovernmental mandates as defined in UMRA. The bill would set the nonfederal share of project costs at 25 percent. Any state or local governments choosing to participate in the project would do so on a voluntary basis.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandate as defined in UMRA.

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